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Lines, Standing Committee on.

HOUSE OF COMMONS

1958

First Session—Twenty-fourth Parliament

1958)

Government
Publications

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1958
no. 1

STANDING COMMITTEE

ON

**RAILWAYS, CANALS AND
TELEGRAPH LINES**

Chairman: GORDON K. FRASER, ESQ.

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

DEPARTMENT OF TRANSPORT ESTIMATES

TUESDAY, JUNE 10, 1958

TUESDAY, JUNE 24, 1958

WITNESSES:

The Honourable George Hees, Minister of Transport; and
Mr. J. R. Baldwin, Deputy Minister.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE
ON
RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: G. K. Fraser, Esq.,

and Messrs.

Allmark,	Grills,	McPhillips,
Asselin,	Gundlock,	Michaud,
Badanai,	Hales,	Monteith (<i>Verdun</i>),
Baldwin,	Hardie ,	Nielsen,
Baskin,	Horner (<i>Acadia</i>),	Nixon,
Batten,	Horner (<i>Jasper-Edson</i>),	Pascoe,
Bigg,	Howard,	Payne,
Bourbonnais,	Howe,	Phillips,
Brassard (<i>Chicoutimi</i>),	Johnson,	Racine,
Brassard (<i>Lapointe</i>),	Keays,	Rouleau,
Bruchési,	Kennedy,	Rynard,
Campbell (<i>Stormont</i>),	LaRue,	Smallwood,
Chevrier,	MacEwan,	Smith (<i>Calgary South</i>),
Chown,	MacInnis,	Smith (<i>Simcoe North</i>),
Creaghan,	*Martin (<i>Essex East</i>),	Tassé,
Crouse,	Martini,	Taylor,
Drysdale,	McBain,	Thompson,
Dupuis,	McDonald (<i>Hamilton</i> — <i>South</i>),	Tucker,
English,	McMillan,	Webster,
Fisher,		Wratten—

J. E. O'Connor,
Clerk of the Committee.

*Replaced on June 12, 1958 by Mr. Garland

ORDERS OF REFERENCE

HOUSE OF COMMONS,
TUESDAY, June 3, 1958.

Resolved,—That the following Members do compose the Standing Committee on Railways, Canals and Telegraph Lines:

Messrs.

Allmark,	Grills,	McPhillips,
Asselin,	Gundlock,	Michaud,
Badanai,	Hales,	Monteith (<i>Verdun</i>),
Baldwin,	Hardie,	Nielsen,
Baskin,	Horner (<i>Acadia</i>),	Nixon,
Batten,	Horner (<i>Jasper-Edson</i>),	Pascoe,
Bigg,	Howard,	Payne,
Bourbonnais,	Howe,	Phillips,
Brassard (<i>Chicoutimi</i>),	Johnson,	Racine,
Brassard (<i>Lapointe</i>),	Keays,	Rouleau,
Bruchési,	Kennedy,	Rynard,
Campbell (<i>Stormont</i>),	LaRue,	Smallwood,
Chevrier,	MacEwan,	Smith (<i>Calgary South</i>),
Chown,	MacInnis,	Smith (<i>Simcoe North</i>),
Creaghan,	Martin (<i>Essex East</i>),	Tassé,
Crouse,	Martini,	Taylor,
Drysdale,	McBain,	Thompson,
Dupuis,	McDonald (<i>Hamilton South</i>),	Tucker,
English,	McMillan,	Webster,
Fisher,		Wratten—60.
Fraser,		

(Quorum 20)

Ordered,—That the Standing Committee on Railways, Canals and Telegraph Lines be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

WEDNESDAY, June 11, 1958.

Ordered,—That the quorum of the said Committee be reduced from 20 to 12 members and that Standing Order 65(1) (b) be suspended in relation thereto.

Ordered,—That the said Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

THURSDAY, June 12, 1958.

Ordered,—That the name of Mr. Garland be substituted for that of Mr. Martin (*Essex East*) on the said Committee.

WEDNESDAY, June 18, 1958.

Ordered,—That items numbered 414 to 430 inclusive, items numbered 433 to 441 inclusive, items numbered 444 to 472 inclusive, and items numbered 512 to 516 inclusive, as listed in the Main Estimates 1958-59; and items numbered 628 to 634 inclusive, items numbered 636 to 651 inclusive, and items numbered 661 and 662, as listed in the Supplementary Estimates for the fiscal year ending March 31, 1959, relating to the Department of Transport, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Railways, Canals and Telegraph Lines, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

WEDNESDAY, June 11, 1958.

The Standing Committee on Railways, Canals and Telegraph Lines has the honour to present the following as its

FIRST REPORT

Your Committee recommends:

1. That its quorum be reduced from 20 to 12 members and that Standing Order 65(1) (b) be suspended in relation thereto.
2. That it be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

Respectfully submitted,

G. K. FRASER,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, June 10, 1958.

The Standing Committee on Railways, Canals and Telegraph Lines met at 10.00 a.m. this day for organization purposes.

Members present: Messrs. Allmark, Baldwin, Batten, Bigg, Bourbonnais, Campbell (*Stormont*), Chevrier, Creaghan, Crouse, Drysdale, Fisher, Fraser, Grills, Gundlock, Hales, Horner (*Acadia*), Howe, Johnson, Kennedy, Martini, McBain, McDonald (*Hamilton South*), Monteith (*Verdun*), Pascoe, Payne, Rynard, Smith (*Calgary South*), Smith (*Simcoe North*), Tassé, Thompson, Tucker, and Webster. (32)

In attendance: The Honourable George Hees, Minister of Transport.

On the motion of Mr. Martini, seconded by Mr. McDonald (*Hamilton South*), Mr. Fraser was elected chairman.

Mr. Fraser thanked members of the Committee for the honour given him and mentioned the importance of the Committee's deliberations.

On the motion of Mr. McBain, seconded by Mr. Grills, Mr. Howe was elected Vice-chairman.

On the motion of Mr. Pascoe, seconded by Mr. Smith (*Calgary South*),

Resolved,—That a recommendation be made to the House to reduce the quorum from 20 members to 12 members.

On the motion of Mr. McDonald (*Hamilton South*), seconded by Mr. Crouse,

Resolved,—That the Committee request the power to print such papers and evidence as may be ordered by the Committee.

The Chairman introduced Mr. Hees who briefly outlined suggestions relating to future operations of the Committee.

At 10.40 a.m. the Committee adjourned to the call of the Chair.

TUESDAY, June 24, 1958.

The Standing Committee on Railways, Canals and Telegraph Lines met at 10.00 a.m. this day. The Chairman, Mr. G. K. Fraser, presided.

Members present: Messrs. Baldwin, Batten, Bigg, Campbell (*Stormont*), Chevrier, Chown, Creaghan, Crouse, Drysdale, English, Fisher, Fraser, Hales, Hardie, Horner (*Jasper-Edson*), Howard, Howe, Kennedy, Larue, MacEwan, MacInnis, Martini, McBain, McDonald (*Hamilton South*), McMillan, Nielsen, Pascoe, Rynard, Smith (*Simcoe North*), Tassé, Webster, and Wratten. (32)

In attendance: The Honourable George Hees, Minister of Transport; Mr. J. R. Baldwin, Deputy Minister; Messrs. J. E. Devine, Executive Assistant to the Deputy Minister; R. J. Burnside, Director, Canal Services; G. L. Matthews, Administrative Officer, Canal Services; A. R. Whittier, Assistant Director, Canal Services (Administration); J. N. Betournay, Assistant Director, Canal Services (Engineering); and W. A. Cook, Budget Supervisor.

The Chairman observed the presence of a quorum, read the Order of Reference, and called Item 414—Departmental Administration. He then introduced the Minister of Transport who made a short statement concerning the estimates of his Department.

Following questioning of the Minister, the Deputy Minister of Transport, Mr. Baldwin, was introduced and answered general questions concerning the functions, future plans and activities of the Department.

Copies of the Department's Annual Report 1956-57 were distributed to the members of the Committee.

At 12.40 p.m. questioning continuing, the Committee adjourned to meet again at 10.00 a.m. on Thursday, June 26.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

June 24, 1958
10:00 a.m.

The CHAIRMAN: Gentlemen, I see a quorum.

This morning we are going to deal with the estimates of the Department of Transport. Some further items since our last meeting have been referred to us. As ordered by the house, items 414 to 430 inclusive; items 433 to 441 inclusive; items 444 to 472 inclusive; items 512 to 516 inclusive, as listed in the main estimates for 1959, and items numbered 628 to 634 inclusive; items 636 to 657 inclusive; items 661 and 662 as listed in the supplementary estimates for the fiscal year ending March 31, 1959 related to the Department of Transport have been withdrawn from the committee of supply and referred to the standing committee on railways, canals and telegraph lines, saving, of course, the powers of the committee of supply in relation to the vote of public money.

Gentlemen, I believe you would like to have a statement from the minister. I will ask Mr. Hees to outline what he has in mind.

Hon. GEORGE HEES (*Minister of Transport*): Thank you very much Mr. Chairman and gentlemen.

As I mentioned, the day we met to select a chairman, the reason for examining the estimates of this department in the committee as well as the regular examination which always takes place in the House of Commons is to make it possible for the members of the committee to more thoroughly examine and become better acquainted with the operations of the Department of Transport.

In a committee such as this the atmosphere is much more informal and more relaxed. Members can ask questions easier. We are sitting more closely together.

I think the most important thing of all is that in this kind of a committee you are allowed to ask questions of departmental officials. It is not possible to do so in the House of Commons.

In the House of Commons it is necessary for the members of the committee—some of the new members will not know this—to ask questions of the minister. I would have my officials at a table in front of me to give me the information which I need, but do not know, in order to answer questions that are asked.

In this committee you are quite at liberty, as we go along, to ask questions of me, or of my officials. I am sure that you all know the gentleman on my right, but in case there are some of you who do not, he is the deputy minister, Mr. John Baldwin.

As we proceed I will be joined by departmental officials who will be in attendance and will be able to answer specific questions in relation to various sections of the estimates.

I hope you feel quite free to ask questions at any time of myself and of departmental officials here. We will do our very best to give you the answers.

As we proceed through the departmental estimates would you confine your questions, in respect of the general item, to items that are really of a general over-all nature. If you have specific questions in respect of specific

sections, or specific operations such as airports, canals, railways or anything of that kind, would you kindly wait until that specific item is before the committee. At those times we will have the departmental officials here at the table and you will be able to direct those specific questions to them as well.

Having said those few words, Mr. Chairman, I will hand the meeting back to you.

The CHAIRMAN: Thank you Mr. Hees.

Mr. CHEVRIER: Is the minister going to make a statement in respect of the operations of the department? I understand that in the past it has been customary for the minister to make a fairly lengthy statement outlining the scope of the department. Because it is a very wide and far-reaching department, it is helpful to the members of the committee to have such a statement.

Mr. HEES: Mr. Chairman, that is a good suggestion. That is always done, as the minister knows, when the estimates come up for consideration in the House of Commons. There is not a lack of desire on my part to give you plenty of information.

This is a document which I have had prepared for me in respect of items that I think you will be interested in getting statements on. There may be a number of things I have not got memoranda on, but you will see that it is a fairly thick book. It deals with all of the items on which I thought you would like to have more specific knowledge and information as we go through the estimates.

I think you will agree with me that if I start at the beginning and go through this whole thing, it would be a very lengthy procedure. I can assure you there is no difference on my part in respect of discussing this department, of which I am very proud, at this more informal meeting. As we go along I will be very glad to make statements in respect of various sections. The only reason I am not doing it now is due to the fact that it is such a big department that I do not know where to begin or where to stop.

Mr. CHEVRIER: I know the minister has not got a statement prepared now, but could he make one at the next meeting? It would be so much easier for us to deal with the estimates if we had a general statement of practice in respect to the various branches of the department. Perhaps a statement of four or five pages would be sufficient. It would be useless to give the long memorandum which he has in his hand but I think it would be very useful to the committee if he would give a general statement dealing with the activities of the department, since last year, for instance.

Mr. HEES: The deputy minister suggests that perhaps it would help solve the problem if we circulated the annual report of the department. This is a relatively brief report.

Again, Mr. Chairman, there is so much, as the minister well knows, that it becomes impossible to deal with—

Mr. CHEVRIER: Thank you for calling me "the minister". I am receiving that title even in the House of Commons.

Mr. HEES: I should say the former minister. I have been used to calling him "the minister" for a number of years.

I certainly will have a statement like that, prepared in the normal way, for presentation in the House of Commons. However, as the former minister well knows, in respect of the St. Lawrence seaway alone there is a very great deal to report. There is a great deal to report in respect of the expansion of the department, in respect to airport construction, in respect to things that we have done in the aircraft field. This is a very, very big subject. I would not like to have to repeat what I may say here again in the House of Commons.

I think if the hon. member for Laurier will go along with my suggestion that we deal with the subjects as we go along, he will find it will work out all

right. I assure the hon. member for Laurier that when the estimates of my department come up for discussion in the house I will then make the normal statement.

Mr. FISHER: I would like to particularize, Mr. Chairman, in respect of something I would like a statement on, and that is the question of waste, extravagance and patronage which has been discovered by the minister in the department, or which has not been discovered by the minister. I would like his views, having regard to this department, in that respect.

He will remember that it was generally put forward, I understand by his party, that there was considerable waste, extravagance with regard to government operations, especially in regard to this particular department. We also have heard that there is patronage. Could the minister give us some information on these subjects?

Mr. HEES: Yes, I will be very glad to.

As far as waste and extravagance is concerned, I have made several statements to the press on being asked about this matter since I took over office. I have said on several occasions, and I have great pleasure in saying again, that I find this is an excellent department. I have not been able to find—which does not mean that it does not exist—outright examples of needless waste and extravagance.

When asked last summer what my attitude was in respect of so-called patronage, my answer was, and still is, that when a job is open in the department which is not a civil service position—naturally most of the jobs come under the Civil Service Commission where necessarily competitions are held completely outside of the jurisdiction of this department—having regard to appointments that are non-civil service, we try to obtain the best type of information we can as to the individual who is best suited and fitted for the job. In every case possible we try to make sure that the best man or woman gets the job.

Mr. FISHER: Has there been any particular pressure from any one area of the country in respect of patronage? I ask this question because I have the impression, having talked to certain members of parliament from certain areas, that they are rather dissatisfied with the present set-up.

Mr. HEES: Mr. Chairman, I think that if the party to which the hon. member belongs, ever forms a government he will find that human beings are the same no matter what party they belong to. I am sure that the Premier of Saskatchewan would tell him that when he formed a government he had a tremendous amount of pressure brought to bear by all sections of the province of Saskatchewan in respect of jobs which the faithful, who had worked very hard in order to get the C.C.F. party in power, felt they were entitled to. Every government in the world is subject to pressures of this kind and I am sure they always will be. We try to handle the job of filling these positions in a fair way. I do not think I can elaborate any more in regard to that.

Mr. FISHER: Could the minister comment in respect of the pressure being stronger in one area than in another?

Mr. HEES: No, I do not think I could comment on that.

Mr. FISHER: The pressure is equal?

Mr. HEES: The pressure is spread fairly well across the country. I am sure the situation was the same when the Liberal government was in power, and I am sure it would be the same if the C.C.F. party ever formed a government.

I might say, Mr. Chairman, that the pressure does not only come from government members, but from all members of parliament who would like

to find positions for their friends, and so on. This pressure cannot be related to any particular party.

The CHAIRMAN: Gentlemen, we are dealing with the departmental administration.

A—Department	
Item 414. Departmental Administration	\$2,144,060

Mr. HOWARD: Mr. Chairman, to get back to the question Mr. Chevrier asked, or raised, about a general statement from the minister in opening the subject matter of the department, I think it would be most advantageous to the committee to have such a general statement made. Otherwise we are likely to find ourselves in the position, as outlined by the member for Laurier and by yourself later on, where we will be held back in respect of particular questions until we come to the particular items in the estimates. We are very likely to find ourselves, towards the end of our considerations of these estimates, having a number of questions of a general nature which we cannot raise because of the fact that they are not particularized by votes, and we would then be unable to raise them because we would have then dealt with the general application of the policy of the Department of Transport.

I am not a member of the mines, forests and waters committee, but I attended a hearing of that committee in its initial stages. The Minister for the Department of Northern Affairs and National Resources made a fairly comprehensive and detailed statement in respect of the policy of the government as applied to that department.

As I said, while I am not a member of that committee, listening to this statement had a great deal to do with straightening things out in my mind as to what the policy of that department was.

I do not think the Department of Transport is much larger in scope or more general in its application across the country than this department is.

The CHAIRMAN: Mr. Howard, the minister has said that he would make a statement of this nature. When we reach the end of our sessions we will allow—I know the minister will back me up in this—the members to ask questions in respect of anything regarding administration despite the fact that a specific item might not appear in the book. Would that be satisfactory? We will guarantee you that an opportunity will be given to ask questions as long as they deal with administration.

Mr. FISHER: I think it would be desirable if we could proceed in such a way that it would not be necessary for us to go over this entire subject matter again in the house.

Mr. HEES: Mr. Chairman, if I might add something here; when we are dealing with canals, and the specific thing you have in mind regarding canals is not actually printed in the estimates and there is no amount in respect of it, there will be no limitation placed on you, or any member, in regard to asking questions about the general subject of canals.

When we come to the subject of aids to navigation, air, marine or otherwise, there will be no limitation placed on you in respect to asking questions about those matters. In fact, we are not going to place a restriction on you at all. This is one of the advantages of committee discussions such as these.

Here you do not have a chairman, as you do in the committee of the house, who cracks down on you if you get a little out of line. In this committee it is our intention to give you all the information we can. There is no intention on my part to hold information back at all.

You have asked me to make a general statement in respect of the policy of this department. I could sum it up in this way: it is our intention, and I think it is our duty, as I see it, to provide facilities in order to help commerce and development throughout the country in every way we can.

In other words if you have a suggestion in respect of improving a harbour, building an airfield, improving an airfield, building an air terminal, improving a canal, building a canal, or in respect of anything that comes within the jurisdiction of this department, and if the economical need and justification can be clearly shown, then within the limitations placed upon us by the House of Commons in regard to the voting of money to carry out such projects, we will do whatever we possibly can to meet the needs of expansion in this expanding country.

I think that summarizes the general philosophy of this department, and certainly summarizes my own philosophy as the minister in charge of this department. Where the economical need and justification for an expansion can clearly be shown, then within the limits of the money that parliament votes, we will do it.

Is that a fair enough statement?

Mr. HOWARD: With the assurance of the minister and the chairman, if the occasion arises when something of a general nature comes to mind, that we will be able to ask questions in that regard, I think that will be satisfactory.

Mr. HEES: That is right.

As a matter of fact, everything that is done by my department is listed somewhere under one or other heading in these estimates. As you will know, having looked the estimates over very carefully, as I am sure you have done—

Mr. HOWARD: Thank you.

Mr. HEES: I am sure you have done so, as a conscientious member of parliament. You will know that every section we administer is listed here as an estimated item.

If you have questions pertaining to things that are not handled by our department I am afraid I cannot guarantee to answer them, but I will try. My officials will attempt to answer all questions pertaining to the activities of my department whether they are listed under headings in the estimates or not. There is no desire or intent to hide anything so that you will not be able to examine it here. If that was the case I certainly would not have been in favour of bringing my estimates before this committee as well as in the house.

In this committee you have a very good opportunity of examining all the estimates of the Department of Transport. You have a much better opportunity than you would have in the much more formal atmosphere of the committee of the house where you do not have the opportunity of questioning departmental officials. A much more thorough examination can be made here.

The CHAIRMAN: Gentlemen, the details of the administration item appear at page 534. Are there any questions in respect of administration?

Mr. CHEVRIER: Mr. Chairman, could we find out the number of employees in the department as compared to the number during the last fiscal year so that we can see whether they are increasing or decreasing?

I would also like to know the minister's reaction to the statement, made yesterday by the president of a crown company, that because of a formula that he had brought into effect in the Central Mortgage and Housing Corporation he was able to cut down on the number of employees, at a tremendous savings. I do not know whether the minister has had an opportunity of looking at that article.

Mr. HEES: I have not seen the statement.

Mr. CHEVRIER: This is a statement of Dr. Bates, the president of Central Mortgage and Housing Corporation. He says that he has reduced the number of employees in that crown corporation from 2200 and some odd to 1800 and some odd at a savings of quite a few millions of dollars. I do not know whether any attention has been given to that statement or not. However,

dealing with the first part of the question, I thought perhaps we could get an answer to that, and perhaps the minister would like to make a comment in respect of the latter part.

Mr. HEES: While the deputy minister is looking that information up, I could answer that question generally.

This department is expanding and has been expanding steadily over the past few years. We are endeavouring to do the job that we have to do in the most economical way and with the least number of employees. If any member of the committee feels that at a certain place certain employees should be laid off, or feels that the job could be done with fewer employees, we would be very interested to listen to their suggestions.

Mr. CHEVRIER: I think the minister must have misunderstood what I said. Perhaps I should put it another way by explaining what Dr. Bates said.

Dr. Bates was formerly a deputy minister of a government department. Naturally he was a member of the civil service. He moved from that department to a crown corporation. He made the statement in respect of that crown corporation, when the committee was considering the estimates of that corporation, that because of a formula which he had adopted it was possible to reduce the number of employees substantially and thereby save a large sum of money; and he said that if this can be done for crown corporations, it can also be done for the department.

I am not saying that the Department of Transport is not an expanding department. Of course it is. I am not saying that employees should be cut down in numbers.

I do ask the minister, however, if he will look at the statement of Dr. Bates or ask his deputy minister to look at it and see if it is not possible to give some application of that method in the Department of Transport. Perhaps Dr. Bates is all wrong. On the other hand, there may be a good deal in what he has said.

Mr. HEES: In answer to Mr. Chevrier let me say that we shall be very glad. I have not seen the statement yet, but we shall be very glad to look at it to find out what he did say and how he did it. Anything which can do the job more efficiently is of great interest to us and we shall examine it.

The CHAIRMAN: Perhaps Mr. Baldwin might answer the question.

Mr. BALDWIN: Yes. The main estimate figures are what I shall speak from since that is what we are concerned with at the present time. The 1957-58 staff branch of the department numbers 12,658 for the purpose of the printed estimates as compared to the 1958-59, the present year, which numbers 13,373. That is for the department only and not for the associated agencies.

Certain additional positions will be required to the extent of 300 in number as well. These are provided in the supplementaries which were tabled more recently to cover extra administrative functions.

Mr. CHEVRIER: How many did you say?

Mr. BALDWIN: Roughly 300 more in the supplementaries.

Mr. CHEVRIER: Does that include the crown corporations?

Mr. BALDWIN: This is departmental only.

Mr. CHEVRIER: Have you any idea what the others come to.

Mr. BALDWIN: I do not think they have reference to Canadian National Railways and Trans Canada Air Lines.

The CHAIRMAN: That covers this committee's estimates anyway.

Mr. BALDWIN: Or to the Air Transport Board, or the Maritime Commission, or the Board of Transport Commissioners.

Mr. WEBSTER: I was going to say that if you had read Mr. Bates' statement the way I read it, Central Mortgage and Housing Corporation ran into soft times when there was little business to do and they laid off employees. Then when they became busy again they did not re-employ those people. That is the reason they were laid off.

Mr. FISHER: I think that Mr. Chevrier has misinterpreted the Bates' statement. The point he made, following Mr. Webster, was that it was a crown corporation and was not tied by the Civil Service Commission, and that it was able to adapt itself much better. We have a department that is expanding and because of technological changes a certain number of positions and classifications must become supernumerary. How do you handle that in this department, Mr. Minister? Do you find that civil service regulations have the tendency of restricting you in the disposition of employees and in switching them into new classifications?

Mr. HEES: In an expanding department such as this I think it has pretty well or largely been found that with the number of jobs opening up and increasing, any chap who had become supernumerary because of technological changes, can be absorbed very easily along with the new people that you have to take on.

The CHAIRMAN: Perhaps Mr. Baldwin may have something to add.

Mr. BALDWIN: I am not sure that I have the number of civil servants readily handy.

The CHAIRMAN: Perhaps you could have it for us at the next meeting.

Mr. BALDWIN: Yes.

The CHAIRMAN: Mr. Baldwin will get that figure for the next meeting giving the number who are civil servants and the number who are not civil servants in the department. Are there any other questions on 414?

Mr. CHEVRIER: Might we have the number of employees in the crown corporations even though their estimates are not here, because they do come under the jurisdiction of the minister? I think it would be well for us to have them. I would not include the employees of the Canadian National Railways or of Trans Canada Air Lines, but I would include the National Harbours Board, the C.O.T.C. and the Maritime Commission.

Mr. HEES: I think I have given you the Maritime Commission.

Mr. CHEVRIER: Could we have them in one lump number. I do not mean right away.

The CHAIRMAN: Mr. Baldwin can get them for us at the next meeting.

Mr. BALDWIN: Yes.

The CHAIRMAN: We can have them for the next meeting.

Mr. FISHER: I have to leave to go to another committee, Mr. Chairman, but there are three general topics in which I am interested. Could the minister advise us when he would like to have a discussion of them. First of all, there is the fairly large change being contemplated in the Canada Shipping Act which will probably involve departmental estimates. Secondly, there are prospective changes in the regulatory functions of the department in relation to the C.B.C. I was wondering when they would be coming up.

The CHAIRMAN: We would not be able to discuss those two subjects here.

Mr. CHEVRIER: Why?

Mr. FISHER: And the third one is—

Mr. HEES: Mr. Chevrier asked "why". I find that you cannot discuss legislation that is in contemplation or in preparation before it is actually introduced.

Mr. CHEVRIER: No. But you can say whether or not you intend to amend the Canada Shipping Act at this session and that disposes of the matter.

Mr. HEES: I think what Mr. Fisher wanted was a great deal of information regarding an increase or decrease in employment that would be caused by these things that he mentioned, not just whether or not they were going to take place. There is no question about their taking place. We intend, as soon as possible, to bring in an amendment to the Canada Shipping Act and an amendment to the railway act.

Mr. CHEVRIER: I certainly want to discuss it.

Mr. HEES: All I can say is that I could not go into the details of what we propose until those details are decided.

Mr. FISHER: Let us take a specific point. I understand amendments are possible to section 324 of the Canada Shipping Act. It would surely affect the number of men under employment in the department. Will it be possible to go into that on the estimates?

Mr. HEES: No. That is something you will have to wait to debate until the bill comes forward. I cannot debate a bill in anticipation.

Mr. FISHER: The estimates are something provisional, something projected into the future.

Mr. HEES: I should be glad to discuss anything that is listed under these various sections or items or, as I said earlier, items or things that are happening at the present time, or perhaps general matters that you might like to ask questions about for the future. But I cannot give you specific answers in anticipation of legislation. It just cannot be done.

Mr. FISHER: What about the third topic, the whole question of north-south air routes?

Mr. HEES: I cannot tell you any more about that except that we have had some meetings with United States authorities and we are hoping to be able to resume those meetings and talks again as soon as possible. But I cannot tell you anything more specific than that, and I won't try to.

The CHAIRMAN: Are there any other questions, gentlemen, on 414?

Mr. HOWARD: I do not know if this would come under the heading of questions or not, although the minister may want to comment on it. But I raise the question partly because it affects those of us who are from the west and partly because it affects members who are from the eastern part of Canada as well.

It relates to a matter which the minister raised a number of times in years past about passes, if you want to classify them as such, on aircraft or on T.C.A. particularly, in as much as that is a cross country route which may be extending out to private airlines as well.

I would like to ask whether or not there is any reluctance because of the overwhelming majority that the government has, to proceed with this sort of plan or not. I do not know. It could well be that there is a bar, as a cause of failure to follow through with the original idea of providing passes or trips for members who are from the extremities of the nation.

There have been a number of suggestions made as to the application of this idea such as finding or deciding on a certain radius from Ottawa—say a thousand miles or 1500 miles or something like that; but I am not too much concerned with the particular detail of the distance a person must come from before the system would apply to him.

However, I certainly think that some very active consideration again should be given to the question in order that members from the Atlantic and the Pacific areas will be placed more on a par with members who

come from central provinces, particularly Ontario and Quebec where they can get home practically every weekend or if not, at least at more regular times than can members who come from other parts of the nation.

I would not be opposed: in fact I think it might be a more sensible approach to institute this system so that it would include the right to travel by T.C.A. aircraft at any time that you might so desire; but I would be quite agreeable—as I am sure would any of the members who would be affected—if a plan were instituted whereby such an arrangement could be made comparable to the scheme which now applies to T.C.A. employees.

As I understand it under that system T.C.A. employees can get trip passes, but they might be "bumped" if there are paying passengers for the aircraft who would thereby take up all the seats available. But that would be quite acceptable. I do not think anybody would mind waiting for an extra day or something of that nature in order to be able to get home on some occasion and to keep in touch with his family and keep in touch with his constituents to a greater degree.

Also, I do not think it would be too unacceptable to limit the use of such passes to once a month or once every two months or something like that, and place some restriction on the number of times you could use a pass throughout the year or throughout the session, and place a restriction along the same line as is placed on T.C.A. employees, and decide on circumscribing area so that you must live beyond a certain distance before you are able to participate in this sort of arrangement.

I hope that something of this nature will be considered not in the light of politics or of the individual party which raises it, but rather in the light of its application to members so that they may more equitably discharge their duties and keep in touch with their constituents.

If the minister would care to make a statement regarding the suggestion, it would be perfectly all right. I do not raise it particularly as a question but more as an idea which has been brought up a number of times in the past; and I hope, or I intend, if I am able to do so in the house—if I do not break a leg or something in the meantime—to raise the question on the departmental estimates, and I hope at that time that members of the house who are not members of this committee will be given an opportunity, if the question is raised, to participate in the discussion and to express their ideas about it.

I am sure that it would be a generally acceptable idea to all members who live in the extreme parts of the nation regardless of the party to which they belong. I would observe also that there is one particular party which would not be affected at all in western Canada, but if it were, I am sure their ideas would be the same as mine.

The CHAIRMAN: Mr. Howard, I believe the minister will be making a statement on that subject but I would say that if you questioned the Ontario and Quebec members upon going home each weekend or every other week, I feel quite sure that, as most of us would say, he would tell you it is not a pleasure trip because when we do get home it is sometimes a headache with all the interviews we have.

Mr. HOWARD: I would just as soon have the headache in conjunction with being able to get there. There are headaches here too.

Mr. HEES: In answer to what Mr. Howard has said, all the members who have been here for some time know my views on the desirability of what he has said. They are well known.

When I was in opposition I spoke on a number of occasions asking the government of the day to provide passes for those who live—I believe I put a

stipulation of more than 400 miles away from Ottawa. I drew attention to the fact that for those living in Toronto it was very easy to get home on weekends by train.

But this is a matter of cost to the taxpayer. It is that and no more. The cost would be to provide each member of parliament one round trip, that is, from Ottawa to the nearest airport in his riding and back to Ottawa. The cost would be \$25,000.

I think you will find it surprising that if you limit it to people who live outside of a radius or further away than a radius of 400 miles from Ottawa, it would only reduce the bill by \$3,000 to provide one trip for every member of parliament who lives more than 400 miles away from Ottawa; it would cost \$22,000 per trip.

This is something which is a live matter. It is under consideration; and as I have said, it is a matter or a question of whether the public or the taxpayers should be asked to pay or not.

The CHAIRMAN: Is it a return trip?

Mr. HEES: Yes, it is for a return trip from Ottawa to the nearest airfield in the riding of the member, and a return trip to Ottawa for a member of parliament; one time out and back, and it would cost \$25,000.

Mr. HOWARD: Concerning this figure of \$25,000, that is based on the supposition that the crown or the government provide the actual fare for that return trip, assuming that we thought of it in terms of travelling on pass. But what about the situation where there is a seat available but no paying passenger, and where you are not replacing a paying passenger? What about that situation? Because if you think of it in terms of "trip passenger miles" it costs so much to take an aircraft from here to somewhere else. If a person pays then there is a certain income but if he does not pay, or if no one else pays for him, if he would not be replacing a passenger, it would not necessarily have the same relationship to the cost that it would have if you computed it on the basis of paying passengers.

Mr. HEES: I have spoken to the president of Trans Canada Air Lines on that basis as well. The only cost then would be for the provision of meals and the cost would be inevitably less. It would be something, I think, around \$3,000 for everybody to travel back and forth.

Mr. HOWARD: For meals?

Mr. HEES: That cost would be relatively small, but T.C.A. feels it would be a rather unsatisfactory way and that members would find it to be a very unsatisfactory way to travel.

Although certain members have said that they would not mind being "bumped" off, if somebody should come in at the last moment and you have to give up your seat and wait for four or five hours—there is no place drearier to wait than an air terminal—

Mr. HOWARD: Except a railway station!

Mr. HEES: That is right, a railway station; but the president of T.C.A. feels that members of parliament to whom that might happen once or twice on a long trip—although they might outwardly say it was all right, they would inwardly nurse a severe grudge against T.C.A. Moreover, it would be a relatively tough job for a clerk behind the counter to say to a member of parliament at the last minute "I am sorry but you cannot go because there is somebody going ahead of you".

They do not think it would work out. It is not ruled out at all as the hon. member knows because I have discussed it with him. It is all very much under consideration, and I shall certainly work for the best possible solution that can be found. But I think you will realize from what I have said that it does constitute quite a problem.

Mr. HOWARD: I wonder if the minister would try to find out how this policy is applied with regard to T.C.A. employees, how many T.C.A. employees take advantage of the standby services, and how much is the estimated cost for their meals or whatever it may be?

Mr. HEES: I think that T.C.A. employees are treated on the basis that they are allowed to travel if there is a seat available.

Regarding your other question as to how it affects T.C.A. employees and how they like it, I think that question might more properly be asked of Mr. Gordon McGregor when he comes before the committee which will be in about two weeks' time.

The CHAIRMAN: That will be the sessional committee.

Mr. HEES: That question might more properly be asked of Mr. McGregor because at that time he can give you all the information you want.

Mr. HOWARD: The question has been asked and the figures will be obtained in the meantime.

The CHAIRMAN: Mr. Baldwin will be able to get them.

Mr. SMITH (*Simcoe North*): Too much emphasis cannot be placed on the cost of returning to one's constituency as being a reason for not giving a privilege.

It just happens I return to my riding quite often by air and I find that the people to whom I talk to there are very surprised to find that I have to pay my own way home. The general public think we already have passes on T.C.A. Furthermore I think my constituents generally think it is worth their while to get me home even if they should give me a pass. I think we are apt to over-emphasize the matter of cost. It is not a great factor with me personally, because I happen to live not too far from here. But I really think we should not put too much emphasis on the cost of returning members to their ridings at least once during the session because people think we do it anyway.

The CHAIRMAN: Our constituents also think that our telephone bills are paid for us.

Mr. CHEVRIER: I want to go to a change of subject.

Mr. DRYSDALE: As a member straight from the west coast I think we should not have taken the round trip basis of \$25,000 and back for a 400 mile radius, and I feel that the consideration is put on the wrong basis because if Ontario and Quebec were included you would eliminate possibly 150 members.

As for the people who come from the extremities, they are faced with a three or four day trip, and we should give them the possibility, perhaps, of at least one round trip each session to return to their respective communities.

If the cost factor is extremely important, I am sure that the members who live in Quebec and Ontario, and even those of us who live so close to our constituencies would perhaps make the sacrifice of allowing the eastern and western members to return to their respective provinces at least once a session.

As to the question of payment, I do feel that payment should be made to T.C.A. rather than to have that particular line in effect subsidizing the particular members of parliament. And as to the question of availability on planes, I think that the members would be willing to take their chances.

Mr. CHEVRIER: Is that not provided for already?

Mr. DRYSDALE: During the session?

Mr. HEES: It has been arranged on occasion during the past; there was one arrangement made under special order in council.

Mr. CHEVRIER: I wonder if the minister or the deputy minister could give us a statement on the present status of the air agreements with the United Kingdom and with the United States, and what number of routes does T.C.A. now have into the United States; and if there is any change in the status from last year.

I think it would be interesting for us to have a general statement on the air agreements as they now stand, and on what Canada has in mind for the future in respect to those various airlines.

Mr. HEES: Mr. Baldwin has been more intimately connected with that phase, so he is the expert on it.

Mr. BALDWIN: As the hon. member knows, we have from a dozen to two dozen international air agreements because every international service requires that there be a bi-lateral agreement between the governments.

Most of them are working satisfactorily and there is nothing at the present time to report. I refer to New Zealand, Australia, Japan, the Argentine, Chile and Peru.

Those agreements are in existence and the services are operating to those countries and there is nothing very active in that connection at the present time.

The only recent activity has been in respect to the United States and the extension of additional services to Europe.

A recent agreement with Switzerland has led to the addition of T.C.A. service to that country. The Belgium agreement has been dormant for a long time but it is now in use by both states.

There have been informal discussions with the United Kingdom regarding certain possible modifications of the existing agreements but they have not been concluded and they will be carried on further in the coming months as to whether additional services or routings should be provided between Canada and the United Kingdom.

We also have some current discussions going on with France regarding a slight modification of routings there to provide for greater freedom of routes at each end, one from Air France and one from T.C.A. They are active at the moment and they are being carried on through diplomatic channels.

There has been some discussion about a bi-lateral agreement with Italy but it has not led to anything so far; and there have been informal discussions with the United States having to do with the opening up of more routes on the trans-border pattern.

Mr. CHEVRIER: Does T.C.A. go into Rome?

Mr. BALDWIN: I think the answer is that no decision has been made by the government. It will be a governmental decision as to the opening of an airline to and from Rome. That would have to be participated in bi-laterally.

Mr. CHEVRIER: Does T.C.A. want to go to Rome?

Mr. BALDWIN: It is a very important traffic point.

Mr. HEES: It seems to me to be about the most popular route in the world at the moment.

Mr. BALDWIN: With respect to trans-border routes I think there has been an agreement in principle on both sides on the desirability of adding more routes to the trans-border pattern. Perhaps I should not elaborate on it because the matter is still under negotiation. We hope there will be resumption of these discussions in the next few weeks or months.

Mr. CHEVRIER: How many trans-border routes are there now?

Mr. BALDWIN: As a guess I would say there are probably from 18 to 21 between the two countries.

Mr. CHEVRIER: Might we have a short written statement circulated concerning the trans-border routes?

Mr. HEES: You mean as to how many exist at the present time?

Mr. BALDWIN: I can tell you from memory. We have one from Victoria to Seattle via T.C.A.; and one from Vancouver to Seattle via American Airlines.

Mr. HEES: We could leave it for the next meeting when we could give them to you on paper. Mr. Baldwin could run through them quickly for you.

Mr. CHEVRIER: Could I ask another question before we leave this? What is the position of the trans-Pacific line?

Mr. BALDWIN: The one to Australia?

Mr. CHEVRIER: Having regard to British commonwealth agreement.

Mr. BALDWIN: Yes.

Mr. CHEVRIER: And having regard to the New Zealand Australasian carrier?

Mr. BALDWIN: The Canadian Pacific Air lines serves Honolulu, Fiji, and New Zealand and is under operation at the present time. The Quantas service which is an Australian air line operates a reciprocal service and comes to San Francisco terminating with an extension to Vancouver.

Mr. CHEVRIER: Is that a weekly service?

Mr. BALDWIN: I think it is a twice weekly service which is operated by C.P.A. and Quantas.

The CHAIRMAN: Are there any other questions in respect of administration?

Mr. WRATTEN: Mr. Chairman, are we still dealing with item 414?

Mr. HEES: We have wandered away a little.

Mr. WRATTEN: Having looked at this list of officers that we have here I was wondering whether the increase in the number of employees was a result of more work and more jobs in this department, or is it a case of having more help in order to get bigger promotions for some of the heads of the departments?

Another thing I am interested in knowing is, are the heads of the departments, and the deputy minister, sure that these people are working for us, or are they sitting on their "fannies" reading newspapers as I have seen them do on many occasions when walking through the offices?

Mr. HEES: I have been in charge of this department exactly one year ago yesterday. It is impossible, as you realize, to see everybody at work all the time, or to see most of them at work any of the time. From what I have been able to see all the operations of the department are being done well and the people that are employed, to my knowledge, are needed.

Mr. WRATTEN: Are all the employees of this department here in Ottawa?

Mr. HEES: Oh, no. They are spread throughout Canada. There is 15 per cent of our employees located in Ottawa with the other 85 per cent spread across the country.

The CHAIRMAN: Are there any further questions in respect of item 414?

Mr. HORNER (*Jasper-Edson*): Has there been any re-organization of the branches within the Department of Transport since the present minister took office?

Mr. HEES: What do you mean by "re-organization"?

Mr. HORNER (*Jasper-Edson*): I am also becoming a little bit alarmed particularly in respect of the additional administrative officers that are creeping into this department. I think perhaps in respect of governmental services we should have a rule that every time we form a new board we scrap an old one. This situation could become monstrous. It could reach the point when we have more people working for the government than we have left.

Mr. HEES: I can assure you, Mr. Horner, that we have not formed any new boards during the past year. There have been additional people employed to do additional jobs in the various and many fields of activity that we operate in.

As I say, to the best of my knowledge, I have examined the operations of the department, and I do not think I can sum it up better than by saying that

I feel the various branches, various sections, are operating properly and doing the jobs for which they are required.

If, at any time members in their own constituencies feel that there are too many people being employed, we would be interested in hearing about it. I would think that a constituency would be the best place for a member to make an examination. I am sure if you came down and talked to Mr. Baldwin he would tell you what operations we have in your constituencies. You could then go around and look the whole thing over. You would be doing us a great service by doing so. You could then come back and tell us where you believe certain people could be laid off and where you believe a more efficient job could be done. We would give very serious consideration to this information. We are just as anxious as anybody else to do the job better for less money, if it can be done. We are looking all the time for ways of doing just that.

So far as I can see, I believe the job is being done well by people who are required to do it. If you can show us at any time that we are using too many people to do a job, or it is being done inefficiently, we would be very pleased to give consideration to it. We would appreciate any such information and examine it thoroughly.

Mr. DRYSDALE: Mr. Chairman, I wonder, for the benefit of myself and one or two of the new members, if the minister could tell us exactly what happens within the department when a new position is created, and who is responsible for creating such a new position? Could you also tell us how the over-all review is made of the present employees in order to ascertain whether or not that position is necessary or whether somebody should perhaps be transferred to another department?

I realize this is a very general question but I wonder if you could give us an outline of what takes place?

Mr. HEES: I will ask the deputy minister to answer that question.

Mr. BALDWIN: The procedure that is followed is, once a year roughly, about this time of year in fact, every operating unit of the department, whether it is a field organization or a headquarters has to put in its requirements for the following year commencing April 1. In other words, they have to put in, nine months in advance, what they think they need in terms of staff needs based upon their assessment of the present work load, and what is likely to develop the following year.

These are analyzed in each case by the headquarters' staff of the unit concerned: if it is civil aviation, for example, it is examined by the director of civil aviation; if it has to do with the canals branch, it is analyzed by the director of canals in conjunction with our personnel services staff as well.

These reports are then put into a general pocket, if you like, which becomes subject to extreme and intensive examination by a special committee consisting of representatives of the department, the treasury board and the Civil Service Commission.

Representatives of each of the services have to appear before them. The committee adjusts the request. Sometimes they are approved, sometimes changed and sometimes eliminated.

Both before they go to the special committee and after they have been to the special committee they have to be sent to the senior officers, either the director of the branch or myself, and at the appropriate time reviewed by the minister so that we can make sure that we are satisfied as well.

Finally, out of this procedure, comes an over-all consolidated report, as it is known, of this establishment's committee and this goes to the treasury board as the approved or recommended additions in establishment for the next fiscal year.

It is a long and involved process and involves a pretty extensive screening at every step.

In some areas of the department we work on what really is a mathematical formula that has been agreed to by the treasury staff and the Civil Service Commission. It is mathematical formula that we can apply to work loads in the field in a given area, having regard to the number of requests, which can then be calculated or transferred into terms of man hours which gives us the estimate for the coming year.

In other cases, where no formula is in existence, or is applicable, we merely have the estimated individual jobs for an individual project. For example, if we took over the Abbotsford airport from the T.C.A. we would have to ask the Vancouver district authorities what staff is required to operate this airport. Their answer would come in and be put through this very extensive screening process.

The CHAIRMAN: Are there any other questions gentlemen?

Mr. WRATTEN: In regard to the heads of these departments, are they hired and paid on the basis of their executive ability, or on the basis of the number of people they have working under them?

The CHAIRMAN: I think we will ask Mr. Baldwin to answer that.

Mr. HEES: They are hired, I would say, on the same basis that a foreman, or a section head, or a departmental manager, or an office manager, in industry are hired, depending to a certain extent on the amount they would receive in a particular field in private industry. It would depend on their training, their technical knowledge, just the same as if we were hiring people in a civilian capacity.

The other considerations, of course, are responsibilities, the number of people they handle, the amount of money which comes under their control and so on.

I would say in assessing what a man is worth that it is done on the same basis and in the same way as it is done in civilian establishments.

Mr. WRATTEN: I ask that question, Mr. Chairman, because it is well-rumoured that the more these estimates can be padded the higher the salary. I just wondered if that was what was going on in your department. I am not criticizing you.

Mr. HEES: Thank you.

Mr. WRATTEN: I am interested in saving money.

Mr. HEES: So am I.

Mr. WRATTEN: I have been a member of municipal and county councils. We always go through these estimates with a fine tooth comb. If you look at this list you see assistants looking after assistants who look after assistants, and somebody is assisting them, and I am just wondering if you need them all. In municipal and county councils when we draw up the budget, if we find an employee that is not needed, we cut it out.

I think the people of Canada expect us to do the same thing here. If there is an opportunity of saving money anywhere at all I think it is our duty to save it.

I am only asking these questions in order to get information. I have heard rumours lately, I have heard rumours in respect of what happened years ago, and I believe the people who come down here must have a sense of responsibility in respect of what we do here.

I am not accusing any member of padding and getting away with a lot of money, but I think the members who are sent here by the people of Canada have the responsibility of saving as much money as possible.

I realize the minister cannot look after the whole department. I know it would be impossible for him to go through every branch in order to see that everybody was working. Each department has a head who is responsible to the minister in this regard.

What I want to know is, are they operating their departments as reasonably economically as possible? As I said a few minutes ago, I have walked through this building and have noticed a lot of people who are not working. I have seen this at other times than during the noon hour, unless the noon hour extends from twelve o'clock to four o'clock, or something like that. Perhaps we have an extended coffee break. That seems to be a problem around these buildings as well.

Mr. HEES: I think I can answer that question in this way: as the deputy minister has outlined, we are continuing to look at the operations of our various sections and branches to see if they are operating as efficiently as we believe possible.

In regard to taking on additional people, or raising the salaries of individuals, that is gone into very carefully and a recommendation comes to me. If I approve it, that does not mean it is granted. Then it must go before the toughest board in Ottawa, the treasury board. They are very tough. If you do not believe me try to get something through them some time.

It is the job of the staff of the treasury board to scrutinize every expenditure of money that the government makes. They examine very carefully indeed every recommendation for additional positions or for increases in salaries. I am sure at some time you will sit in at a treasury board meeting. If you do, I think you will agree that there is a very demonstrable reason for taking on additional personnel or increasing salaries.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I would like to ask a question.

Anyone who knows anything about the salaries paid in private industry and in private enterprise will realize that the salaries paid to individual employees of the Department of Transport certainly are not excessive. As a matter of fact, it is a matter of some concern to me that you are able to hire employees at such low salaries.

Mr. HEES: That is very true, Mr. Smith. One of the big problems with which the government is faced is the extremely attractive salaries offered by civilian industry. This is a problem we are up against all the time.

Mr. SMITH (*Simcoe North*): I have just been attempting to hire a librarian, and I have been wondering if you are able to hire qualified librarians, in view of the low rate of salary you offer.

Mr. CAMPBELL (*Stormont*): I notice in Blakely's column in the *Gazette* his suggestion that when people are employed as civil servants it is exceedingly difficult to get rid of them, even if the circumstances warrant it. Most of us are perhaps interested in that ourselves. I wonder if the minister would care to comment on that?

Mr. HEES: I think that the Civil Service Commission is very fair. I am not quite sure what you would like me to comment on.

Mr. CAMPBELL (*Stormont*): I did not ask a specific question so I cannot expect an answer. Is it more difficult to reduce a civil service staff than it is to reduce staff in an ordinary corporation?

Mr. HEES: Yes, very much so. In an ordinary corporation you can just fire an individual if you feel that he is inefficient.

Mr. CAMPBELL (*Stormont*): What additional protection does the civil service provide? Supposing it is desirable in a department to reduce the staff because of the decrease in the volume of work, and so on, what would happen?

Mr. HEES: I think I should ask the deputy minister to answer that question in detail.

Mr. BALDWIN: Again this is part of this procedure of reviewing the establishments. If a position is no longer considered necessary you must go through this same mill. It may be that at the end of the mill, as I said earlier, there

may be a certain number of positions eliminated because the work concerned is no longer considered necessary or essential.

If that is the case then the job is eliminated and the employee no longer has a job. However, because of the traditions that are associated, if you will, with civil servants, there is very great pressure applied, not only to ourselves, but to the commission, to insure that we make every possible effort to see that the individual is fitted in somewhere else.

That is perhaps not an unreasonable thing at all. If an employee cannot be fitted in and his job has been abolished, then he requests certain superannuation rights, I believe. I am not an expert in this field, but an employee has certain rights under the provisions of the Civil Service Superannuation Act.

Apart from that, if an employee is not doing the job that he is supposed to do, or is inefficient or unsatisfactory, it is within the power of the department to down-grade him.

Again my recollection is that once an employee becomes a regular classified permanent civil servant he cannot be discharged, as distinct from the situation of a position being abolished.

Mr. CAMPBELL (Stormont): In other words, the protection afforded by the Civil Service Commission is normally much greater than that afforded by the ordinary efficient union, is that so?

Mr. BALDWIN: That is a rather hard question to answer, sir. However, I believe the answer would be yes. It is a matter of opinion on my part.

Mr. HOWARD: Following along the lines of the question just raised, I wonder if it is the attitude of the minister if—and I do not like the term as it applies to individuals—public servants, or people working for the government are placed in the same position as employees working in private concerns in so far as their right to organize a union and have a bargaining agency, with all the normal responsibilities. I wonder if the establishment of such an agency, having grievance procedures so that it could challenge the decision of the minister, or the heads of the departments with respect to the discharging of an employee, and with the power to appear before an arbitration board, would alleviate some of the objections apparently being raised by some members?

The CHAIRMAN: Mr. Howard, I believe that the civil servants have a very strong organization or union of their own. They have their own bargaining agents, do they not, Mr. Baldwin?

Mr. BALDWIN: There are two or three different organizations in the civil service. There is the professional institution, the civil service association and the civil service federation, each of which speaks on behalf of employees under certain circumstances.

Mr. HOWARD: With deference, Mr. Chairman, I would say that the various civil service organizations are not comparable to trade unions and do not in fact operate in the same way as a union does. They do not have the authority or the responsibilities, and are not able to process the various problems that do arise in the same way that a union would.

Mr. HEES: Mr. Chairman, I would suggest that this is a matter that goes a little beyond the scope of the Department of Transport. It is a matter that has to do with high government policy. It is a matter, as the hon. member knows, that has been discussed from time to time with various governments. I am afraid I am not in a position to answer the question.

Mr. HOWARD: I was hoping you would.

Mr. HEES: I cannot blame you for trying.

Mr. HARDIE: I am afraid I arrived at this meeting late, as a result of three committees sitting at the same time. When I arrived Mr. Baldwin was

making reference to the fact that the Department of Transport was taking over the maintenance of the airport at Abbotsford, B.C. My question is this: what is the experience of the Department of Transport in respect to the taking over of airport maintenance, having regard to the number of persons employed by the Department of Transport as compared to the number formerly employed by the Department of National Defence?

Mr. BALDWIN: A great deal depends upon the standard of maintenance and operation that is set down as the objective for the particular airport concerned. I say, in general terms, that we usually operate with a smaller staff. That is not necessarily a criticism of the Royal Canadian Air Force, because they may have set themselves higher standards for military purposes and because of higher density use, or something of that nature. When we take over an airport it is operated strictly as a civilian airport, with restricted use.

Mr. HARDIE: I am wondering particularly about the airport at Whitehorse, Yukon. I heard in another committee this morning that there was a decision being made that the Department of Transport were taking over the maintenance of the Whitehorse airport, and I wondered if the minister could comment on that?

Mr. HEES: We are trying to allow a wide range of discussion here, but that has to do with a specific item. I wonder if you would mind waiting until we reach the item dealing with airports. We will be very glad to deal with that question then.

The CHAIRMAN: Mr. Howard, that is covered under item 460.

Mr. HEES: We are trying to keep a balance here. We do not want to be restrictive, but we would like to deal with specific items individually. The item you are dealing with now is item No. 460. I think if we dealt with your question at this time we would find ourselves dealing with questions in respect of every airport in Canada.

Mr. CHEVRIER: Mr. Chairman, I would like to ask the minister if he would give us a statement in respect of the report of the royal commission on coastal shipping, which came down recently. I am sure the minister has had an opportunity of reading that report.

This report contains some recommendations. It deals mainly with the operations of the Department of Transport.

I wonder if it is possible to have a statement in respect of departmental views with reference to the implementation of those recommendations.

Mr. HEES: Mr. Chairman, I am afraid that is a matter that is still being considered by the government itself. As a result of the many things the government has had to consider recently, it has not been possible to deal effectively with that report.

Mr. CHEVRIER: Is there any consideration being given to the re-defining of the coast of Canada? I have heard the interesting suggestion that the coastline of Canada should be re-defined and that the line of demarcation should be from Cap-des-Rosiers on the south shore of the St. Lawrence through the west point of Anticosti island. I know that that was considered at one time. I know also that many people were in favour of this and that many were opposed to it. I wondered if any consideration had been given to this suggestion?

Mr. HEES: No.

Mr. DRYSDALE: Mr. Chairman, while we are still on the administration item, I was wondering if perhaps Mr. Baldwin could advise the committee as to the degree of modernization the department as a whole has been able to effect with reference particularly to dictating machines and electric type-

writers. Are they used to any extent within the Department of Transport, or has the Department of Transport had any requests in this regard?

Mr. BALDWIN: We are now moving into a field about which I am sure I cannot speak with the degree of knowledge that our service expert could.

We do use both standard and electric typewriters. Electric typewriters are generally used where a large number of copies are involved. There is a pretty standard controlling procedure regarding the issuance of electric typewriters that is laid down for government services as a whole. We must control the over-all procedure with respect to situations under which we use electric typewriters as distinct from ordinary typewriters.

Having regard to dictating machines, they are available to those people who make use of them. Our own experience is that individual habits vary a great deal. Dictating machines just do not suit every individual.

When an employee has a large amount of dictation to do a request for a dictating machine is forwarded and one is issued.

Perhaps the greatest degree of modernization that is taking place in respect of this field has regard to the increasing use of the automatic I.B.M. type of machines, and various punch card systems used for the compilation of data in one field and another, and the rapid analysis thereof.

Mr. DRYSDALE: Would you feel that the Department of Transport is at least equal to ordinary businesses as far as the type of equipment used is concerned?

Mr. BALDWIN: I would think so.

Mr. CHEVRIER: I would like to ask what the position is with reference to railway lines. There are short lines being extended, sometimes by the C.N.R. or sometimes by the C.P.R. for which no mention of expenditures is made in the estimates. There are, of course, private lines built by virtue of an act of parliament. Could the minister give some indication of what the position is with reference to railway line extensions in general?

Mr. HEES: There are none that I know of planned at the present time. There are two branch lines for which bills were put through at the last session, as the member for Laurier knows.

There is quite a lot of discussion going on at the present time preparatory to what we hope will be a bill covering a railway in northern Alberta. We hope it will be put forward at this session.

I am not in a position to discuss the details of that because, as the member for Laurier knows, the details have not been settled yet. This is a matter that still has to be decided.

As far as individual extensions are concerned, I am not aware of any. When Mr. Gordon comes before the committee in two weeks' time he will be able to give you further information in that regard. However, I am not aware of any other planned extensions at the present time.

Mr. CHEVRIER: When lines are extended less than seven miles it is the practice of the C.P.R. and C.N.R. to secure authorization from the minister under one of the sections of the Railway Act. There is no way of knowing what goes on because bills are not required. These extensions are done by virtue of a particular section of the Railways Act.

Are there any extensions to lines contemplated either by the C.N.R. or the C.P.R.?

Mr. HEES: I am not aware of any requests by either railroad.

The CHAIRMAN: Are there any other questions on administration?

Mr. HOWARD: Mr. Chairman, this is a suggestion. It is not confined to this particular department, but relates to the manner in which the estimates book is prepared. I only raise the question in order that there might be something

done to make it a little easier for some of us who want to look closely at the estimates book. In the vote part of the book it lists the estimates and in the left-hand column indicates the number of the votes. For instance, we are on page 414 and when we get into the details we find that there is no reference to the number of the vote in the details and it requires a great deal of looking back and forth from one section of the book to another. If we are looking at the detail part. I wonder if it would be more advantageous, in future years, to arrange the details in such a way that they would indicate the number of the vote alongside the details?

Mr. HEES: I think that is a good suggestion. It was always my impression those numbers were listed.

Mr. CHEVRIER: The details were always at the rear of the book in my experience.

The CHAIRMAN: In the eighteen years I have been here the details have always been where they are now; but the details have been expanded some in the last few years. Mr. Chevrier might remember when we had a very thin book with a very few details.

Mr. HOWARD: Perhaps now is the time to get it thin again.

Mr. HEES: Just try.

The CHAIRMAN: This is a good suggestion. I think it would have to go before the finance minister.

Mr. HEES: I will speak to the Minister of Finance and put forward the suggestion which you have made here.

Mr. HARDIE: I would like to ask a question supplementary to the question asked by Mr. Chevrier. Since the proposed railway along the south shore of Great Slave lake was mentioned in the speech from the throne there must have been some planning going on in the Department of Transport. I wonder where those plans stand at the present time?

Mr. HEES: A great deal of work, I can assure you, has been going on both by railways and by the Department of Transport. As a matter of fact just yesterday afternoon I received a delegation from the government of British Columbia putting forward their ideas as to what the route should be. We have received numerous delegations and are doing a great deal of work on it. It is going forward at the fastest possible pace and as soon as possible I will be putting forward, with my colleague the minister of northern affairs, a cabinet document for discussion in cabinet. As soon as possible we will, we hope, bring forward a bill; but as the former minister knows when you have a matter as controversial as this with various potential routes it cannot be settled hurriedly. We are working as hard and as fast as we can and I assure you nothing is being left undone to reach, we hope, the right solution in the shortest space of time.

Mr. HARDIE: I asked the minister last fall when a survey would be made and the minister indicated a survey had been made of the ground. Could the minister tell us something about this survey and what were the results of this survey?

Mr. HEES: An economic survey was made; but since that time a great deal more information has been presented to the department which has been studied by the railways and by us. It is remarkable the number of opinions that can be brought forward as soon as something like this is mentioned in an election campaign or in the speech from the throne. We have had a tremendous amount of additional information given us. In all fairness we must consider this information thoroughly and carefully, which we are doing, and all I can say is we are going ahead as fast as we can and have very good people, I believe, working on it. As soon as we can we will come up with a proposition.

Mr. CHEVRIER: Does the economic survey indicate it will be a profit or a loss?

Mr. CROUSE: What does that have to do with this?

Mr. CHEVRIER: If we are entitled to discuss railways in general, a railway of that nature which has been mentioned in the speech from the throne surely is an item under which it can be discussed. I do not want to bring up any question which should not be brought up here but of all the questions which have been discussed surely this one can be. I was asking if the minister could tell us what the profit and loss estimate is or perhaps he might give us an idea what the cost will be. I have heard several variations of it.

Mr. HEES: All I can say, Mr. Chairman, is whatever method is decided upon will require federal assistance; there is no question about that. This whole matter is in a state of flux at the present time. It is being discussed right at this very moment.

Mr. CHEVRIER: I know you cannot give the details and I am not asking for that; but I wondered if this question would be in order. Could some indication be given as to whether the northern Alberta railways will provide a portion of the capital cost of the railway?

Mr. HEES: Yes; they definitely will.

The CHAIRMAN: Are there any other questions on administration?

Mr. CHEVRIER: Yes. I would like to get a statement on the position of the overseas telecommunications activities. What was the cost of the cable which was built from Canada to the United Kingdom, how is it operating, is it so that consideration is being given to the construction of another cable? Could we have a general statement?

The CHAIRMAN: The minister has a statement he will read to you I believe.

Mr. HEES: First of all, I will mention the Atlantic telephone cable which was built in 1956. The first heading is the original six-voice circuits:

These became fully occupied during the daily peak periods from the time the cable opened for business at the end of September, 1956.

Relief has now been provided (December 7, 1957) by the introduction of channel splitting equipment inserted on five of the original six circuits—thus producing a total of eleven all of which are virtually occupied during the peak hours of 9 a.m. to noon Montreal time. Arrangements were also made to rent one additional circuit from A.T. & T. effective December 21, 1957—making a total of twelve.

Mr. CHEVRIER: How many circuits are there altogether in the cable?

Mr. HEES: Thirty-six.

Mr. CHEVRIER: How many are taken over by the American Telephone and Telegraph Company and how many are given to us?

Mr. BALDWIN: We have six. I have forgotten the division, but we have six.

Mr. HEES:

Original eleven telegraph circuits—

These are now fully occupied by telegraph, telex and private leased teletype services, and relief has been provided by equipment installed to double the original eleven telegraph circuits, namely to 22 circuits.

Expansion—

In addition to the establishment of circuits between Canada and the U.K. in September, 1956 by way of the trans-Atlantic cable and

operation of circuits to the West Indies and to Newfoundland, C.O.T.C. have opened the following circuits to overseas points:

- a) Montreal to Germany—direct telegraph in 1955
- b) Montreal to Paris—direct telegraph in May, 1956
- c) Vancouver to Sydney, Australia—radio telephone and radio telegraph in November, 1956
- d) Vancouver to Japan—direct radio telegraph—June, 1957
- e) Vancouver to Wellington, New Zealand—direct radio telegraph—December, 1957
- f) Montreal to Italy—direct radio telegraph—April 1, 1958

International telex service, introduced into Canada by C.O.T.C. on December 3, 1956, is now available for direct customer-to-customer teleprinter operation with at least 30 foreign countries throughout the world. The growth and demand for this service is extremely gratifying.

A new head office building in Montreal was completed and occupied on March 9, 1957.

New radio stations in the vicinity of Vancouver, as well as a new office in that city, were completed and put into operation on November 1, 1956. As a result, Canada for the first time is in direct communication with Australasia by telephone as well as by telegraph. Telephone business had previously been routed through San Francisco.

Future—Trans-Atlantic—

The telegraph capacity mentioned above should be ample for a reasonable time for all Canadian trans-Atlantic needs. As regards telephone capacity it is obvious that available circuits are insufficient and, accordingly, plans are already in hand for a cable between Canada and the U.K.—to be wholly Canadian and British owned and operated.

Preliminary route surveys are currently being carried out—designs developed, and engineering plans made. The cable will provide 60 telephone circuits between Canada and the U.K.—a number of which will be extended to Europe to provide through working with the principal countries of that continent.

Mr. CHEVRIER: Are they put on the same basis as the 36 circuit cable, so many for A.T. & T. and so many for Canada?

Mr. HEES: The new one is of course only Canadian and U.K. shared.

Mr. CHEVRIER: How is it divided as to circuits?

Mr. HEES: Fifty-fifty.

Telephone circuits will be broken down into telegraph channels as required and for standby purposes in the case of interruption of the first T.A.T. cable. Completion is expected by 1961 at the latest. The cost of the whole project will be about \$28,000,000 against \$42,000,000 for the T.A.T. cable with 36 circuits.

Commonwealth System—

The commonwealth telecommunication system is in the main made up of low capacity telegraph cables and radio telephone and telegraph circuits.

In view of recent technological advancement in the telecommunication field e.g. the coaxial submarine repeatered cable (TAT) it is obvious that some consideration must soon be given to the further modernization of all or a portion of the said telecommunication system, in a manner similar to that which has been done and is being planned for the Atlantic.

Communication Services—

It is planned to open direct radio telephone and telex services to Japan in the near future as soon as final negotiations with that country are completed.

Program Services—

The telephone cable now permits high fidelity voice and music transmissions for broadcasting purposes and this too introduced a further important source of revenue which we (C.O.T.C.) expect to expand.

Picture Transmissions—

Excellent quality picture transmissions are now available across the Atlantic and it is expected that this service, the availability of which had previously been erratic owing to unstable radio conditions, will be much more in demand.

The CHAIRMAN: Is that satisfactory to you, Mr. Chevrier? Are there any other questions?

Mr. CHEVRIER: I do not know that it is but it is in answer to my question.

Mr. HARDIE: I wonder if the minister would give us a statement concerning the taking over by his branch of the wireless communication systems in the Northwest Territories and parts of the Yukon and parts of the northern provinces of Canada?

Mr. HEES: I would rather you take that up when the telecommunications division comes up for discussion, if you do not mind. It is item 451.

Mr. CHEVRIER: Could we have have a word on oil pollution? It was raised in the house the other day in debate and also by way of a question. There is a considerable amount of pollution on the St. Lawrence by oil and by other methods also. I wonder if the departmental officials have given any consideration to asking the government to extend the studies made by the International Joint Commission in international waters? The International Joint Commission was given the problem of considering the pollution of water on the upper Great Lakes right down to Lake Erie and, because of a request made by certain people in Ontario, the commission's inquiry was extended to cover Lake Ontario. I wonder if some consideration should be given to this, or would the minister care to say something on the question of extending the purview of this inquiry as far as the international boundary at least is concerned because I do not think the International Joint Commission can go beyond that. There is still a great field for their activities and the recommendations they have made in the upper Great Lakes have been outstanding and excellent. I understand in certain portions of the Great Lakes their recommendations are being put into effect, particularly in cities such as Sarnia, Windsor and Detroit and the like. I take it a step further and suggest that something should be done about it in Canadian territory along the international boundary right down below Quebec. The pollution by oil on the St. Lawrence is just terrible particularly in the Montreal area.

A member rose the other day from the other side of the house and brought attention to what is happening in Lake St. Louis. It is abominable. I am sure the officials of the department would feel in sympathy with that. My purpose in bringing this up is two-fold. First, could consideration be given to asking the International Joint Commission to extend its study to the international boundary line, and could the departmental officials give some consideration to taking action with reference to that part of the St. Lawrence which is in Canada?

Mr. HEES: Our responsibility as I understand it regarding water pollution has to do only with the pollution caused by ships, and we do have very strict control over that. I know a number of cases have come to my attention

which have been investigated and dealt with. But, pollution generally, as I understand it, is within the jurisdiction of the provinces.

Mr. CHEVRIER: Not in the international section. The government of Canada referred this whole matter of pollution, in all its forms, to the International Joint Commission in the international section. There is no doubt that while perhaps the provinces have quite a keen interest in this, they have not the means nor the facilities, therefore the International Joint Commission was given the task of studying it. I was asking with reference to international waters first and Canadian waters second. Notwithstanding the control which you may have over oil being dropped from ships, there is no doubt in the port of Montreal and eastward in the more inhabited parts of the St. Lawrence the amount of oil that is being dropped is tremendous and is affecting the health of the citizens.

Mr. BALDWIN: On the question of pollution, the fact is that the steamship inspection company has only, within the last year, been getting its organization in shape to cope with this. It was only last year we were given legislative authority to deal with this. We realize there is quite a serious problem, not only in Montreal, but in the river below Montreal. The problem has been primarily one of getting cooperation of ship operators. If we do not get their cooperation we show them we mean business if they break the existing regulations which prohibit the dumping of oil. Patrol has been one of the problems that has been encountered. We want to see what goes on. This year for the first time, in addition to the barge facilities in the harbour itself which are available for taking surplus oil, we are trying to put in an experimental patrol down river from Montreal with a small craft for that purpose to see whether we can develop better control down-river. If the boat control does not work we may have to go to helicopter control. However, we are well aware of the problem.

Mr. CHEVRIER: Can anything be done in the international section?

Mr. HEES: I will be glad to take that up with the chairman of the International Joint Commission to see what can be done.

Mr. SMITH (*Simcoe North*): I understand that the International Joint Commission is headed by General MacNaughton and is responsible to the Department of External Affairs.

The CHAIRMAN: Yes.

Mr. CHEVRIER: Could we have a statement about winter navigation on the St. Lawrence? There has been a great deal about it in the press and I know the Department of Transport is keenly interested in that subject. Years ago they established a patrol to find out what the movement of ice was like. The questions I would like to ask are these: first is it contemplated to use icebreakers in the fall, as in the past, to break the channel from Quebec to Montreal? Next, what is the position east of Quebec; is it possible because of new scientific methods to open up the St. Lawrence to navigation for the twelve months of the year? Apparently it is possible to do that now at Seven Islands, Rimouski, and perhaps Baie Comeau, and other points. Could we have a statement covering the whole field as to the future for twelve months navigation on the St. Lawrence?

Mr. HEES: From where to where on the St. Lawrence? Up as far as Montreal?

Mr. CHEVRIER: I dealt first with the icebreakers which break the ice up from Quebec to Montreal and next with anything below Quebec, because I understand there are some ports which are open all the year around, for instance, like Rimouski. Is it possible to bring navigation right into the city of Quebec? Will it be possible to do that in the future because of the new scientific methods?

Mr. CROUSE: On the point raised by Mr. Chevrier, does the question of cost not enter into the matter? We have seen a seaway built and we are afraid it means the abolition, practically, of our inland coasting business due to the fact that there is no protection provided. The English ships can now carry grain at approximately a third of a cent cheaper than Canadian coastal ships. This will mean that perhaps in the next ten years there will not be any Canadian ships carrying grain on the Great Lakes. Also the C.P.R. must provide the rails and equipment to carry these goods and at fixed charges. We are providing a waterway, and I notice by these estimates that we are increasing the number of canal men and the total cost is being borne by the Canadian taxpayers. The suggestion which is put forward would only increase the burden of the taxpayers while decreasing the amount of freight carried by the rails and eventually increasing unemployment. We can employ more people on the seaway at a cost to the Canadian taxpayers but every time we do that we diminish employment on our other carrying systems which are the two railways. I think the point of providing the extra services should be considered by the steamship companies who may be located in England; it is up to them to say whether or not the St. Lawrence should be kept open and not something which should be done at a cost to the taxpayers of Canada.

Mr. CHEVRIER: May I make a statement on this. My friend is misinformed. The St. Lawrence seaway is not a cost to the taxpayers of Canada. It is a self-liquidating project to be paid for by the imposition of tolls. The minister told you that in the house.

Mr. CROUSE: That is to be proved.

Mr. CHEVRIER: It is a fact. It has been done by statute. The St. Lawrence seaway will not cost the taxpayers of Canada one nickel; it will be paid for by tolls.

So far as the other point is concerned it would strike me that if we had navigation on the St. Lawrence for twelve months of the year it would help employment, particularly in the winter months. That is exactly the program which the government seeks to establish. It is to give winter employment. Surely navigation will give winter employment rather than halt it.

Mr. HEES: I have a statement which I think will be useful on our icebreaking operations:

The primary objective of the department is to develop a combined operation based upon the use of icebreakers, aerial survey ice forecasts, and all-year operation of certain aids, as well as provision of improved marine aids to help the winter navigation in the lower St. Lawrence, Gulf and Atlantic areas generally. This is being achieved by the gradual development of a larger fleet of icebreakers, the training of a group of ice forecasters and the gradual elaboration of plans for increased aerial ice survey.

The department now has five icebreakers, as well as two agency vessels, strengthened to work in light to medium ice, in service. One additional major icebreaker, the Labrador, is under refit. Three more icebreakers are under construction, one of which is for the western Arctic and one of which will be a larger vessel than any icebreaker presently in Canadian service; we expect to add to this at least one more icebreaker and possibly two to three agency vessels strengthened for work in ice, in due course.

Mr. CHEVRIER: What about the question of navigation on the St. Lawrence in the winter months? Could we have a statement on that?

Mr. HEES: Our first job, as I say, is to make it possible for ships to move freely in the Atlantic area in the lower St. Lawrence and the Gulf of St. Lawrence; that is what we are aiming to do at the present time. As to the future, I am not able to say. It is something we will just have to find out about as we go along.

Mr. CHEVRIER: What has been the experience of the Department of Transport so far in regard to the icebreakers that were provided for the lower St. Lawrence? Have they been operated successfully during the winter months?

Mr. HEES: Yes. All the reports that we have received show that they have been very successful.

Mr. CAMPBELL (*Stormont*): Is it not much more difficult to maintain the open water in the area east from Pointe-au-Pic where you have tidal conditions and salt water than it is in the upper Lakes and upper channels where you have fresh water and greater freezing conditions?

Mr. HEES: I think perhaps there is much truth to what you say.

Mr. HOWARD: What is the intention of the committee in respect of the adjournment?

The CHAIRMAN: We will have to adjourn in a few moments as there is a labour delegation coming into this room. We could perhaps go on for a few minutes in an attempt to clean up the administration item. If we could it would be very nice.

Mr. HOWARD: I have a couple of questions that may give rise to additional questions which may result in our not being able to complete the administration vote within the next few minutes.

The CHAIRMAN: That will be all right. You ask your questions. We will stay here until we are forced to move out. There are 200 people coming in here. Their meeting was scheduled for twelve o'clock but I think we could go on for a few more minutes.

Mr. HARDIE: I have one question, Mr. Chairman, arising from the annual report which we have just been given. On the last page, in the financial summary, there is a reference to an expenditure of \$12,400,000 from funds provided by the Department of National Defence. I wonder if you could explain that expenditure?

Mr. BALDWIN: That expenditure covers a variety of services that we provide on military accounts, sir. A great many of the departmental services are used by the military branches and by civil entities as well and therefore are not charged back to the Department of National Defence. When we supply something especially for the Department of National Defence only, we expect them to reimburse us. This item covers a variety of things.

It is the cost, for example, of "C" supply to the mid-Canada line, which is a military operation, and the Department of National Defence reimburses us for doing this. It covers the cost of certain meteorological services that we provide solely for military flying establishments. It covers the cost of certain communication facilities relating again to air traffic control having regard to air military intelligence, which we put through our telecommunication unit.

This item breaks down across a variety of fields where we do special jobs because we are in a position to do them. Since they are jobs done for military purposes only we are reimbursed for them.

Mr. KENNEDY: Mr. Chairman, on the Atlantic coast we have winter docks. Our overseas commerce is going to be conducted by foreign ships. If these foreign ships intend to use the ice docks I think consideration should be given to the idea of placing some of the responsibility for opening these docks on these people.

The CHAIRMAN: Thank you Mr. Kennedy.

Mr. HOWARD: I do not want to get into the realm of the details of the estimates, but I notice items listed at the bottom having reference to the approximate requirement for increases in the rates of pay to employees of the department. I wonder if we could perhaps have some indication as to the manner in which requests or appeals are made, by the organization which is composed of employees of the Department of Transport, and what structure exists which allows them to make requests for increases in pay to the government, and whether any requests relating to this particular fiscal year have been made?

Mr. BALDWIN: Yes. We have a pretty well established procedure whereby a group of employees who feel that they have a salary problem—and they all seem to feel that way—may bring forward their requests and discuss them, in the first instance, with the senior officials of the service concerned. They may be radio operators, they may be lockmen and that sort of thing. They can discuss it with the senior officials of the service concerned, and representatives of the personnel branch of the department who take care of all these matters.

The outcome of these meetings may then be a matter of further reference, since we are not free to account, on our own, to the Civil Service Commission and the treasury board, if the type of employee concerned is a classified employee—that is a permanent civil servant. If he is a casual employee it then becomes a matter for reference to the Department of Labour which is responsible for making recommendations for a prevailing rate class. The procedures are well established.

Mr. HOWARD: The second part of the question has to do with whether requests had been made for adjustments or increases in this fiscal year.

Mr. BALDWIN: Yes, there are several current requests at the present time.

Mr. HOWARD: What is likely to happen to these requests?

Mr. HEES: They will receive consideration.

Mr. CHEVRIER: And sympathy?

Mr. HEES: Well, of course.

Mr. CHEVRIER: I intended to say that I read, with interest, the minister's statement in respect to the ICAO general assembly. I wonder if we could have a statement in regard to what transpired at the assembly and what problems were mainly discussed this year.

I wondered also if there was consideration being given to a reduction in rates for crossing the Atlantic, and elsewhere for that matter, as well as what the position is, vis-a-vis, the members if ICAO residing in Montreal. Have these employees been receiving any better treatment from the government of the province of Quebec than heretofore? I am sure that the minister's charming personality would do a great deal to assist them. I feel sometimes that they are probably treated harshly, although I am sure the Department of Transport and its officers have done their best to make them as happy as possible.

I realize it is important to keep the general assembly at Montreal if possible.

Mr. HEES: As Mr. Baldwin was actually at the conference, and as I only went there to make an opening speech, I will ask him to answer that question.

Mr. MACINNIS: Mr. Chairman—

The CHAIRMAN: Just a minute. Could we have Mr. Baldwin's answer first?

Mr. MACINNIS: I cannot hear what is going on.

The CHAIRMAN: Would you speak louder. Mr. Baldwin?

Mr. BALDWIN: Yes.

The ICAO assembly this year was what we call a routine assembly as distinct from a major assembly which takes place every three years. It concerned itself almost entirely with administrative problems and with the work on its budget for the next year. Next year it will be a major assembly, wherever it takes place.

Apart from consideration of administrative and budgetary matters the only things the assembly dealt with especially were important technical assistance, in the field of aviation, to certain underdeveloped countries, and aviation and its special role in respect of the new techniques needed to meet the jet age.

In so far as the latter part of the question is concerned, that is the so-called diplomatic immunities to representatives of foreign governments—

Mr. CHEVRIER: Before you come to that, what about the rate?

Mr. BALDWIN: You refer to fares across the Atlantic?

Mr. CHEVRIER: Yes.

Mr. BALDWIN: That does not come within the jurisdiction, sir, of IACO. That question is settled by the air lines through IACO, the air lines association.

As far as diplomatic immunities in respect of the province of Quebec, I am not aware of any outstanding grievance or complaint at the present time.

The CHAIRMAN: Did you hear that Mr. MacInnis?

Mr. MACINNIS: I did not hear the question so I did not pay any attention to the answer.

Mr. HEES: Would it be possible, so that everybody could hear, for members who are sitting down at the far end of the table to come up closer? We will all be a little closer then.

The CHAIRMAN: Are there any more questions?

Mr. CHEVRIER: Where will the next meeting be held?

Mr. BALDWIN: It has not yet been decided, sir.

Mr. CHEVRIER: Have any other countries been mentioned in respect to the next meeting other than Canada?

Mr. MACINNIS: I think the chairman better take care of Mr. Chevrier.

Mr. CHEVRIER: I do not know what that means.

Mr. MACINNIS: Every time I get on my feet to ask a question he intercedes from his seat.

The CHAIRMAN: Do you want to ask a question?

Mr. CHEVRIER: I am sorry, I apologize.

The CHAIRMAN: Do you wish to ask a question?

Mr. MACINNIS: Apologize to the chair, not to me.

The CHAIRMAN: I beg your pardon?

Mr. MACINNIS: I was speaking to Mr. Chevrier.

The CHAIRMAN: Do you wish to ask a question Mr. MacInnis?

Mr. MACINNIS: No.

Mr. CREAGHAN: I would like to refer to page 5 of the annual report. I wonder if the minister or his deputy could explain to me the reason there is no mention of Trans-Canada Air Lines on page 5? I presume that that corporation should be listed there.

Mr. HEES: I am advised by the deputy minister that the transfer bringing the Trans-Canada Air Lines back within the jurisdiction of my department only took place about July 1 of last year. Trans-Canada Air Lines before that time was not under the jurisdiction of the Department of Transport, it was under the jurisdiction of the Department of Trade and Commerce.

Mr. WRATTEN: Mr. Chairman, if we are going to discuss this annual report I have a further question.

We are still operating this service to Yarmouth, N.S.—Bar Harbor? I see that in 1956 this service went into the "red" in the amount of \$304,000. Are we still operating that service?

Mr. HEES: I think that is a matter that should be discussed when Mr. Gordon comes before the committee. That is a C.N.R. operation.

Mr. WRATTEN: I thought we were getting into a discussion of this annual report and that I had better ask the question now.

The CHAIRMAN: That subject goes to the standing committee on Government owned railways and shipping.

Mr. HEES: Anything having to do with C.N.R., T.C.A. operations or shipping will be dealt with when that sessional committee sits two weeks from now.

Mr. CHEVRIER: Mr. Chairman, I would like to get some information if I can as to the present status of the international and interprovincial road transport.

I have forgotten what legislation was brought into effect by virtue of a judgment of the Supreme Court of Canada covering international and interprovincial highway transportation. Following the conference between the provinces and the federal government, the effect of which was to give the provinces the right to administer provincial and international highway transport, there has, as I understand, been a great deal of complaint. Whether those complaints have been brought to the minister's attention or not, I do not know.

Mr. HEES: No, Mr. Chairman, we have not received any complaints or briefs from provinces in that regard.

Mr. HOWARD: I appreciate that this subject matter may be dealt with in the details of the estimates under particular votes, but I think it would be helpful to the committee in its consideration of these matters if we had further information in regard to the subject matters in the annual report. At the top of page 22 of the annual report there is reference to two new ships built in the United Kingdom for service in Newfoundland. The cost of these ships is listed there. There are a number of questions which arise out of this statement. Who operates these particular ships after they are built and who pays for them? I imagine that the Department of Transport provides the actual money for these ships, but I am interested in who operates them, and also if there are any other ships of the same type, in the same kind of service, built and paid for in the same way, providing service to the same general area.

If it is not possible to get the information in detail, could we have the amount of the capital expenditure that has been made for those particular ships that are in service there?

Mr. HEES: I do not mind answering the general question about these particular ships but, as far as the details are concerned, I wish you would wait until the actual item comes up.

These ships are operated for the government by the Canadian National Railways, and the yearly deficit is made up by a subsidy paid to the Canadian maritime commission. These ships form part of the Newfoundland coastal service and are operated for the government by the Canadian National Railways.

Mr. SMITH (*Simcoe North*): Mr. Chairman, who operated these ships prior to Confederation?

Mr. HEES: I beg your pardon?

Mr. SMITH (*Simcoe North*): Who operated these ships prior to Confederation?

Mr. HEES: I imagine Newfoundland operated them themselves.

Mr. SMITH (*Simcoe North*): Did they operate at all prior to Confederation?

The CHAIRMAN: Are there any other questions?

Mr. HOWARD: I have a question on the same subject. It relates to the requests that have been made over the years for the expansion of our own shipbuilding industry in Canada. I just wondered why these ships were built in the United Kingdom, not that I am opposed to having them built there, but because I am concerned with the development of our own shipbuilding industry.

Mr. HEES: I can answer that. These ships were built in 1951 in Great Britain for the Canadian National Railways. In 1951 or 1952 the contracts were placed by the Canadian National Railways. I do not know the details concerning these contracts. I was not in office at that time.

Mr. HOWARD: I realize you were not in office at that time, or even at the time they were delivered for that matter. That is perhaps why you cannot give us the reason why this took place. I hope that in the future if such ships are to be built that we will attempt to develop and expand our own shipbuilding industry. The expansion of this industry is a problem which faces the employees of shipbuilding firms and the general public residing in areas where these industries are located.

Mr. HEES: I would think that if the member heard the announcement I made in the house last session in respect to the number of contracts on hand that he would appreciate that my views are the same as his in that regard. We are having additional ships built for this service and we expect to place contracts for those ships in Canada.

The CHAIRMAN: Are there any other questions in respect of the general administration item? If not—

Mr. CHEVRIER: Yes. There was a question I wanted to ask about air service.

The CHAIRMAN: Could you leave that question until we reach the item covering air service?

Mr. CHEVRIER: Mr. Chairman, I do not think this item should pass this morning. I would like to discuss a number of other things.

The CHAIRMAN: All right.

Mr. CHEVRIER: I would like to know what effect the speed of aircraft is having on landing strips. Is the Department of Transport forced again to build longer and stronger airstrips across Canada because of these faster aircraft that are being developed, and what is the position with reference to the I.L.S. systems that have been installed? Are we installing any more I.L.S. systems or have we now turned to the newer system of ground control approach? I wonder if the minister or perhaps the deputy minister could give us some information in that regard?

Mr. HEES: Regarding the newer and bigger aircraft, as Mr. Chevrier probably knows, we are lengthening and strengthening a number of airstrips in Canada that are being used by those larger aircrafts.

As far as the I.L.S. systems are concerned, they have proved satisfactory and we are installing more of them.

Mr. CHEVRIER: Have we any ground control approach systems in operation?

Mr. HEES: We have one ground control approach system in operation at Gander. That is the only one we have.

Mr. WRATTEN: Mr. Baldwin gave a very good explanation of that whole subject to the few of us who were in that other room the other day. He told us all about these air strips.

Mr. HEES: You are referring to the study group that was set up?

Mr. CHEVRIER: I am not a member of that study group so I was not there.

Mr. WRATTEN: That is your own fault. You could have been.

The CHAIRMAN: As there is a labour delegation of some 200 coming into this room I would ask for a motion to adjourn.

Mr. HOWARD: I so move.

The CHAIRMAN: The motion is seconded by Mr. Crouse.

The next meeting will be held in this room at 10.00 o'clock Thursday morning of this week.

